

# California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Financial Statements and Supplemental Information

Year Ended June 30, 2021



**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Financial Statements and Supplemental Information**

Year Ended June 30, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

### Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration as of June 30, 2021 and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT, CONTINUED

### **Other Matters**

#### Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The supplemental information included on pages 14-25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021, on our consideration of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 24, 2021

# **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

## **Management's Discussion and Analysis**

Year Ended June 30, 2021

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This section of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Organization) annual financial report includes management's discussion and analysis of the financial performance of the Organization for the period July 1, 2020 through June 30, 2021. This discussion should be read in conjunction with the financial statements and notes.

### **Introduction to the Financial Statements**

The Organization's financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements are supported by notes to the financial statements and management's discussion and analysis. All sections must be considered together to obtain a complete understanding of the financial picture of the Organization.

**Statement of Net Position:** The statement of net position includes all assets and liabilities. Assets and liabilities are reported on an accrual basis, as of the statement date. It also identifies major categories of restrictions of net position of the Organization.

**Statement of Revenues, Expenses, and Changes in Net Position:** The statement of revenues, expenses, and changes in net position present the revenues earned and expenses incurred during the year on an accrual basis.

**Statement of Cash Flows:** The statement of cash flows presents the inflows and outflows of cash, and is summarized by operating, noncapital financing, capital and related financing, and investing activities. These statements are prepared using the direct method of cash flows and therefore present gross, rather than net, amounts for the year's activities.

### **Financial Overview**

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities, as of the period July 1, 2020 through June 30, 2021. Included, is an analysis of the current year activities and balances.

During the reporting period, the Organization generated and submitted 71 proposals requesting approximately \$35 million, with about \$5.5 million in anticipated Facilities and Administrative (F&A) cost recovery – the major source of unrestricted revenue. Although the federal negotiated F&A rate is 47 percent of modified total direct costs, many requests for proposals offer a lower rate and certain categories of expense may not be used when calculating the actual cost recovery.

### **Highlights of Proposed Projects**

Proposal submission is the primary path to revenue for the Organization. Awards from successful proposals help fund educational, research, and service activities that benefit students, teachers, small businesses, and members of the California State University, Bakersfield (CSU Bakersfield or the University) community. The following comments are brief descriptions of a select number of proposals representative of the proposed activities and operations of the Organization. There are highlights of proposals submitted by each school with support from the Sponsored Programs Development Office in Grants, Research & Sponsored Programs (GRASP).

### **Academic and Administrative Departments**

Administrative and academic departments submitted various proposals to support student needs, address college readiness, and form partnerships with local agencies. Enrollment management proposed a \$2.6 million grant renewal project to the Department of Education under the Talent Search funding announcement. The goal of the Talent Search Program is to increase the number of youths from disadvantaged backgrounds who complete high school and enroll in postsecondary education. The project will serve three high schools in the Kern High School District, one high school and one middle school in the McFarland Unified School District, and one middle school in the Bakersfield City School District. Low-income and potential first-generation students will be targeted for the project, which also includes homeless, foster care, re-entry, and veteran populations.

See independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

### Management's Discussion and Analysis

Year Ended June 30, 2021

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The Division of Extended Education and Global Outreach (EEGO) proposed a \$184,377 project to America's Job Center of California through the County of Kern. The project will provide a Drug & Alcohol Studies Certification Program to a select student cohort in preparation for workforce entry.

#### Arts and Humanities (AH)

Faculty from the School of Arts and Humanities submitted several proposals to the National Endowment for the Humanities. Proposal titles and the originating departments included *Humanizing Virtual Reality* (English) requesting \$121,167 and, *California Dreamin': Migration, Work, and Settlement in the 'Other' California* (Teacher Education) requesting \$190,000 in federal funding. The proposals centered on dynamic classroom practices, community conversations, regional programming, and educators with new curriculum practices. Each project reflects the diversity of culture within CSU Bakersfield and the community.

#### Business and Public Administration (BPA)

Grant proposals focused on economic development, entrepreneurship support, and providing research experiences to undergraduate students. *Aerospace Valley Futures: California Eastern Sierra Aerospace Corridor Workforce & Infrastructure Improvement Program* (Management and Marketing) requested \$4,999,798 from the Department of Defense in service of a Science, Technology, Engineering, Math (STEM) workforce and economic development initiative for California's Eastern Sierra Aerospace Corridor. Similarly, *Small Business Development Center GOBIZ Technical Assistance Expansion Program* requested \$185,000 from the California Governor's Office for Business & Economic Development (GOBED) through Regents of the University of California (UC). The program improves the state's business and technical resources and networks for entrepreneurs and micro and small business owners.

#### Natural Sciences, Mathematics, and Engineering (NSME)

The National Science Foundation received several proposals from the School of Natural Sciences, Mathematics, and Engineering (NSME). The *CREST Center for Examining Ecosystem Function of Intact and Degraded Shrublands of Southern California (Biology)* requested \$4,999,637 to quantify ecosystem functioning in southern California shrubland landscapes and create a STEM pipeline for undergraduate students to enter M.S. or Ph.D. programs. The proposal entitled *NSF MRI: Acquisition of a Field Emission Scanning Electron Microscope with Energy Dispersive X-Ray Spectroscopy (FE-SEM EDS) for Interdisciplinary Research and Teaching at California State University, Bakersfield* (Physics and Engineering) requested \$609,878 for the acquisition of a new Zeiss Sigma 300 field emission scanning electron microscope (FE-SEM) with a Bruker energy dispersive X-ray spectroscopy (EDS) and a Deben Coolstage. The proposed instrument will allow continuation of existing multi-disciplinary research projects in School of Natural Science, Mathematics, and Engineering. It will also allow new research directions, facilitate new collaborations of CSU Bakersfield faculty and researchers from other institutions, and support existing collaborative efforts with community colleges and outreach efforts to high schools.

The Department of Nursing requested \$240,000 for the *Nursing Capitation Grant 2020* from the Office of Statewide Health Planning and Development (OSHPD). The proposal requests support for the BSN program at CSU Bakersfield to improve clinical education experiences and provide support services to students. In addition, \$125,000 was requested from OSHPD to fund the *Nursing Special Projects Grant 2020* to support service learning programs such as Community Preventative Health Collaborative Program (CPHC), the California Nursing Student Association (CNSA), and our RN Explorers Program (High School Students). This proposal will offer multiple advantages to the students of the CSU Bakersfield program including potentially reducing attrition rates, increasing nursing student confidence, providing mentorship, and student leadership opportunities.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Management's Discussion and Analysis

Year Ended June 30, 2021

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### Social Sciences and Education (SSE)

Partnerships and student workforce linkages make up noted proposals. The Child, Adolescent, and Family Studies Program requested \$327,835 from the Early Educator Investment Collaborative to support Transforming Early Educator Lead Teacher Preparation Programs in collaboration with California State University, Sacramento. The proposal supports innovative approaches to dismantling barriers in the current system in order to better serve the current and future early education workforce. Similarly, the Jumpstart Training for Early Childhood Education Students proposal requested \$107,735 to enhance the learning experiences of students with hands-on practicum experiences which are invaluable for workforce development. The Jumpstart program, a national early education organization, engages students with earning real-world experiences that enhance their preparation and equips them as early childhood professionals.

### Statements of Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets	\$ 5,029,932	\$ 4,359,303	\$ 3,508,901
Capital assets, net	<u>282,684</u>	<u>210,166</u>	<u>193,433</u>
Total Assets	5,312,616	4,569,469	3,702,334
Liabilities:			
Current liabilities	<u>3,213,508</u>	<u>2,600,459</u>	<u>2,314,157</u>
Net Position	<u>\$ 2,099,108</u>	<u>\$ 1,969,010</u>	<u>\$ 1,388,177</u>

### Assets

Assets increased by \$743 thousand to \$5.3 million due to an increase in cash of \$789 thousand, a decrease in accounts receivable of \$152 thousand, an increase of \$35 thousand in amounts due from related parties, a decrease in prepaids of \$1 thousand and an increase of \$72 thousand in capital assets.

### Liabilities

Total liabilities increased by \$613 thousand to \$3.2 million due to an increase of accounts payable of \$7 thousand, an increase in due to related parties of \$143 thousand, an increase in accrued expenses of \$105 thousand and an increase in deferred revenue of \$358 thousand.

### Net Position

Total net position increased by \$130 thousand. Most of the cost recovery generated was used to support reimbursement of expenses to the University incurred in administration services. This year, the Organization generated less facilities and administrative cost recovery revenue than prior year, yet enough to support reimbursing the University for administration services, academic release time salaries, and consulting services to better serve and guide some of the most complex grants.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

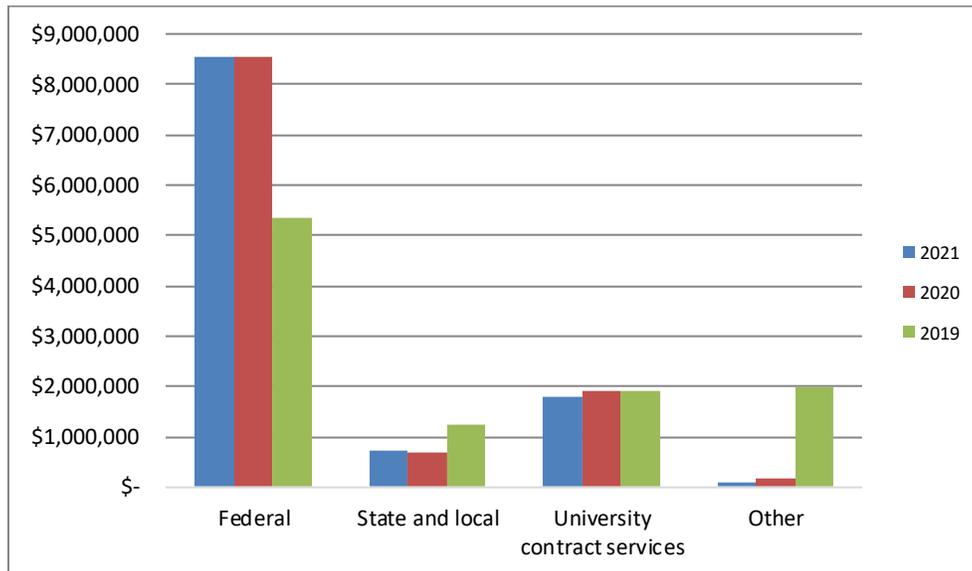
**Management’s Discussion and Analysis**

Year Ended June 30, 2021

**Schedules of Revenues, Expenses, and Changes in Net Position**

	2021	2020	2019
Operating Revenue and Other Support:			
Grants	\$ 9,313,316	\$ 9,426,885	\$ 7,572,077
University contract services	1,802,205	1,902,345	1,924,030
Other operating revenues	73,671	4,360	1,039,936
<b>Total Operating Revenue and Other Support</b>	<b>11,189,192</b>	<b>11,333,590</b>	<b>10,536,043</b>
Operating Expenses:			
Program services	9,262,750	9,323,494	8,264,603
General and administrative	1,796,344	1,376,565	1,977,562
<b>Total Operating Expenses</b>	<b>11,059,094</b>	<b>10,700,059</b>	<b>10,242,165</b>
Change in Net Position Before Transfers	130,098	633,531	293,878
Transfer of Net Deficit, Children's Center	-	16,769	-
Transfer of Net Position, University Grants	-	(69,467)	-
<b>Change in Net Position</b>	<b>130,098</b>	<b>580,833</b>	<b>293,878</b>
Net Position, beginning	1,969,010	1,388,177	1,094,299
<b>Net Position, ending</b>	<b>\$ 2,099,108</b>	<b>\$ 1,969,010</b>	<b>\$ 1,388,177</b>

**Revenues**



Overall revenues decreased from \$11.3 million to \$11.2 million. The federal grant revenue generated by the Organization increased from 75 percent to 76 percent. State grant revenue stayed consistent at 6 percent, local grant revenue reflected a decrease of revenue from 1 to 0 percent, and non-governmental grant revenue decreased from 2 to 0 percent. University contract services decreased from 17 percent to 16 percent. This category records the value of salaries, wages, and benefits for employees under California State University that work on grants for the Organization and rent for facilities utilized by those employees.

# **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

## **Management's Discussion and Analysis**

Year Ended June 30, 2021

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### **Expenses**

Program expenses represent costs related to administering the grants awarded. These expenses can be classified into payroll and non-payroll related expenses (i.e. supplies and services, contractual services, travel, etc.). Payroll related expenses total \$4.6 million whereas \$4.6 million relates to non-payroll grant expenses. General and administrative expenses consist of those related to reimbursement to the University for business and administrative services. General and administrative expenses increased by \$420 thousand. This is mainly due to services from other agencies.

### **Factors Bearing on the Organization's Future**

The Sponsored Programs Development Office in GRASP is developing strategies and refining procedures to assist faculty and staff with generation and submission of more high-quality proposals for projects to be managed in the future by the Organization.

### **Contacting the Organization's Financial Management**

The Organization's financial report is designed to provide the Organization's Board of Directors, management, legislative and oversight agencies, citizens, and customers with an overview of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's finances, and to demonstrate its accountability for funds received. For additional information about this report, please contact Vernon B. Harper Jr. Ph.D., Provost and Vice President for Academic Affairs at 9001 Stockdale Highway, 59 ADM, Bakersfield, California 93311.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Statement of Net Position**

June 30, 2021

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**ASSETS**

Cash	\$	3,233,971
Accounts receivable		1,748,129
Due from related parties		47,832
Capital assets, net of accumulated depreciation		<u>282,684</u>
Total Assets		5,312,616

**LIABILITIES**

Accounts payable		51,398
Due to related parties		1,673,487
Accrued expenses		810,953
Deferred revenue		<u>677,670</u>
Total Liabilities		<u>3,213,508</u>

**NET POSITION**

Net investment in capital assets		282,684
Unrestricted		<u>1,816,424</u>
Total Net Position	\$	<u><u>2,099,108</u></u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Statement of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2021

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Operating Revenue and Other Support:

Grants:

Federal	\$	8,545,271
State		677,374
Local		50,758
Non-governmental		39,913
University contract services		1,802,205
Other		73,671

Total Operating Revenue and Other Support 11,189,192

Operating Expenses:

Program services		9,262,750
General and administrative		1,796,344

Total Operating Expenses 11,059,094

Change in Net Position 130,098

Net Position, beginning 1,969,010

Net Position, ending \$ 2,099,108

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Statement of Cash Flows**

Year Ended June 30, 2021

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Cash Flows from Operating Activities:	
Grant revenue receipts	\$ 9,861,716
University contract services	1,802,205
Payments to suppliers	(6,043,206)
Payments to employees	<u>(4,707,365)</u>
Net Cash Provided by Operating Activities	913,350
Cash Flows Used by Capital and Related Financing Activities:	
Acquisitions of capital assets	<u>(124,421)</u>
Net Increase in Cash	788,929
Cash, beginning	<u>2,445,042</u>
Cash, ending	<u><u>\$ 3,233,971</u></u>
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:	
Change in net position	\$ 130,098
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Depreciation	42,747
Transfer of capital assets	9,156
Changes in operating assets and liabilities:	
Accounts receivable	151,850
Due from related parties	(34,689)
Prepaid expenses	1,139
Accounts payable	6,769
Due to related parties	143,234
Accrued expenses	105,478
Deferred revenue	<u>357,568</u>
Net Cash Provided by Operating Activities	<u><u>\$ 913,350</u></u>

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Notes to Financial Statements

Year Ended June 30, 2021

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### Note 1 - Organization and Summary of Significant Accounting Policies

#### Nature of Activities

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Organization) was incorporated in the State of California on August 28, 2009. The Organization was formed and operated solely for the benefit of California State University, Bakersfield as a non-profit auxiliary organization. The Organization is responsible for the accomplishment of certain University objectives that require financial support not provided by the State. These activities occur in all aspects of University life, including the development and administration of sponsored grants and contracts for faculty and staff research and educational projects.

#### Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of revenues, expenses, and changes in net position, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2021 and therefore no amounts have been accrued.

#### Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time.

#### Capital Assets

The Organization capitalizes all expenditures for capital assets in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to ten years.

#### Deferred Revenue

Deferred revenue represents grant payments received in advance of grant earnings.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Notes to Financial Statements

Year Ended June 30, 2021

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### Note 1 - Organization and Summary of Significant Accounting Policies, continued

#### Net Position

The Organization's net position is classified into the following categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted: All other categories of net position.

#### Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

#### Subsequent Events

The Organization has evaluated subsequent events through September 24, 2021, which is the date the financial statements were available to be issued.

### Note 2 - Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

### Note 3 - Capital Assets

Changes in capital assets consist of the following:

	Balance June 30, 2020	Additions	Transfers	Balance June 30, 2021
Equipment	\$ 274,631	\$ 124,421	\$ (14,731)	\$ 384,321
Less accumulated depreciation	(64,465)	(42,747)	5,575	(101,637)
	<u>\$ 210,166</u>	<u>\$ 81,674</u>	<u>\$ (9,156)</u>	<u>\$ 282,684</u>

### Note 4 - University Contract Services

The Organization utilizes University employees to provide direct programming services and indirect other services on behalf of the Organization. Services provided to the Organization by employees of the University are recognized as revenue equal to the University's estimate of the employee cost incurred to provide those services. The total estimated employee cost is \$1,645,605 and has been recognized as University contract services revenue and as an operating expense in the statement of revenues, expenses, and changes in net position.

The Organization utilizes University facilities to conduct its services. The Organization pays no rent to the University and has recognized revenue equal to the fair market value of this rent for similar facilities. The total estimated fair market value of this rent is \$156,600 and has been recognized as University contract services revenue and as an operating expense in the statement of revenues, expenses, and changes in net position.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Notes to Financial Statements

Year Ended June 30, 2021

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### Note 5 - Related Party Transactions

The University provides accounting and payroll services to the Organization. Additionally, the University collects funds on behalf of the Organization related to draw downs on their various grants.

California State University, Bakersfield Foundation (Foundation) collected funds on behalf of the Organization for matching contributions related to grants awarded to the Organization.

Related party transactions are reflected in the accompanying financial statements as follows:

Revenue:		
University	\$	162,147
Foundation		<u>18,914</u>
	\$	<u><u>181,061</u></u>
Expenses:		
Services from other agencies:		
University	\$	<u><u>5,135,468</u></u>
Due from:		
University	\$	29,659
Foundation		<u>18,173</u>
	\$	<u><u>47,832</u></u>
Due to:		
University	\$	<u><u>1,673,487</u></u>

### Note 6 - Contingencies

#### Coronavirus

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders, including California, where the Organization is located.

Management has initiated several changes to the operations of the programs and administrative functions in order to protect the health of staff and students and to mitigate the financial effects of the virus and its resultant economic slowdown. The Organization will continue to evaluate, and if appropriate, adopt other measures in the future required for the ongoing safety of staff and students. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, employees, and vendors, all of which at present, cannot be determined.

## SUPPLEMENTAL INFORMATION

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2021

	Program Services	General and Administrative	Total
Salaries	\$ 3,559,842	\$ -	\$ 3,559,842
Services from other agencies	1,359,744	738,750	2,098,494
University contract services	894,379	907,826	1,802,205
Payroll taxes and benefits	1,083,762	-	1,083,762
Stipends	1,062,149	-	1,062,149
Supplies	903,658	10,825	914,483
Small equipment	254,987	56,633	311,620
Professional fees	14,253	47,800	62,053
Dues and subscriptions	30,866	17,644	48,510
Depreciation	42,747	-	42,747
Conference and meetings	23,093	600	23,693
Printing and publications	14,351	260	14,611
Insurance	-	12,798	12,798
Miscellaneous	7,652	3,119	10,771
Postage	7,503	89	7,592
Telephone	2,548	-	2,548
Travel	1,216	-	1,216
<b>Total Expenses</b>	<b>\$ 9,262,750</b>	<b>\$ 1,796,344</b>	<b>\$ 11,059,094</b>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Net Position**

June 30, 2021

(for inclusion in the California State University)

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**Assets:**

**Current assets:**

Cash and cash equivalents	\$	3,233,971
Short-term investments		-
Accounts receivable, net		1,795,961
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		-
<b>Total current assets</b>		<b>5,029,932</b>

**Noncurrent assets:**

Restricted cash and cash equivalents		-
Accounts receivable, net		-
Capital lease receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		-
Capital assets, net		282,684
Other assets		-
<b>Total noncurrent assets</b>		<b>282,684</b>
<b>Total assets</b>		<b>5,312,616</b>

**Deferred outflows of resources:**

Unamortized loss on debt refunding		-
Net pension liability		-
Net OPEB liability		-
Others		-
<b>Total deferred outflows of resources</b>		<b>-</b>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Net Position**

June 30, 2021

(for inclusion in the California State University)

**Liabilities:**

**Current liabilities:**

Accounts payable	1,708,855
Accrued salaries and benefits	159,668
Accrued compensated absences, current portion	16,030
Unearned revenues	677,670
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	651,285

**Total current liabilities**

3,213,508

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-

**Total noncurrent liabilities**

-

**Total liabilities**

3,213,508

**Deferred inflows of resources:**

Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-

**Total deferred inflows of resources**

-

**Net position:**

Net investment in capital assets	282,684
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,816,424

**Total net position**

\$ 2,099,108

See independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2021

(for inclusion in the California State University)

**Revenues:**

**Operating revenues:**

Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
<b>Grants and contracts, noncapital:</b>	
Federal	8,545,271
State	677,374
Local	50,758
Nongovernmental	39,913
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	1,875,876
<b>Total operating revenues</b>	<b>11,189,192</b>

**Expenses:**

**Operating expenses:**

Instruction	1,768,013
Research	1,154,972
Public service	653,357
Academic support	1,841,982
Student services	2,805,937
Institutional support	2,690,724
Operation and maintenance of plant	99,129
Student grants and scholarships	2,233
Auxiliary enterprise expenses	-
Depreciation and amortization	42,747
<b>Total operating expenses</b>	<b>11,059,094</b>
<b>Operating income (loss)</b>	<b>130,098</b>

**Nonoperating revenues (expenses):**

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	-
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
<b>Net nonoperating revenues (expenses)</b>	<b>-</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>130,098</b>

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<b>130,098</b>

**Net position:**

Net position at beginning of year, as previously reported	1,969,010
Restatements	-
<b>Net position at beginning of year, as restated</b>	<b>1,969,010</b>
<b>Net position at end of year</b>	<b>\$ 2,099,108</b>

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
<b>Noncurrent restricted cash and cash equivalents</b>		-
Current cash and cash equivalents		3,233,971
<b>Total</b>	<b>\$</b>	<b>3,233,971</b>

### 2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	-	-	-
<b>Total investments</b>	-	-	-
Less endowment investments (enter as negative number)		-	-
<b>Total investments, net of endowments</b>	<b>\$</b>	<b>-</b>	<b>-</b>

See independent auditors' report.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
<b>Total investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):	-	-	\$ -





# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassification s	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 19,315	-	19,315	16,482	(19,767)	\$ 16,030	\$ 16,030	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
<b>3. Capital lease obligations:</b>								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
<b>Total capital lease obligations</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	-	-	-	\$ -	-	\$ -	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
<b>Total long-term debt obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total long-term liabilities</b>	<b>\$ 19,315</b>	<b>-</b>	<b>19,315</b>	<b>16,482</b>	<b>(19,767)</b>	<b>\$ 16,030</b>	<b>16,030</b>	<b>\$ -</b>

### 5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
<b>Year ending June 30:</b>									
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum lease payments</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: amounts representing interest									
<b>Present value of future minimum lease payments</b>									<b>-</b>
Unamortized net premium/(discount)									<b>-</b>
<b>Total capital lease obligations</b>									<b>-</b>
Less: current portion									<b>-</b>
<b>Capital lease obligations, net of current portion</b>									<b>\$ -</b>

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2021

(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
<b>Year ending June 30:</b>									
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium (discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									<b>\$ -</b>

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	2,912,244
Payments to University for other than salaries of University personnel	2,223,224
Payments received from University for services, space, and programs	162,147
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts (payable to) University (enter as negative number)	(1,673,487)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	29,659
Other amounts receivable from University (enter as positive number)	-

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

		Debit/(Credit)
Restatement #1	N/A	
		-
Restatement #2	N/A	
		-

### 9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	392,624	98,704	65,477	-		1,211,208		1,768,013
Research	600,151	89,845	71,069	-		393,907		1,154,972
Public service	234,377	47,753	27,539	-		343,688		653,357
Academic support	1,033,622	123,901	110,222	-		574,237		1,841,982
Student services	1,308,421	293,825	155,214	-		1,048,477		2,805,937
Institutional support	-	-	-	-		2,690,724		2,690,724
Operation and maintenance of plant	-	-	-	-		99,129		99,129
Student grants and scholarships	-	-	-	-	2,233			2,233
Auxiliary enterprise expenses	-	-	-	-		-		-
Depreciation and amortization							42,747	42,747
<b>Total operating expenses</b>	<b>\$ 3,569,195</b>	<b>654,028</b>	<b>429,521</b>	<b>-</b>	<b>2,233</b>	<b>6,361,370</b>	<b>42,747</b>	<b>11,059,094</b>

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 10 Deferred outflows/inflows of resources:

#### 1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	-
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	-
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-

Total deferred outflows - others	-
<b>Total deferred outflows of resources</b>	<b>\$ -</b>

#### 2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-

Total deferred inflows - others	-
<b>Total deferred inflows of resources</b>	<b>\$ -</b>

### 11 Other nonoperating revenues (expenses)

Other nonoperating revenues	-
Other nonoperating (expenses)	-
<b>Total other nonoperating revenues (expenses)</b>	<b>\$ -</b>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*, CONTINUED

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 24, 2021

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

### Report on Compliance for Each Major Federal Program

We have audited California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs for the year ended June 30, 2021. California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance.

### Opinion on Each Major Federal Program

In our opinion, California State University, Bakersfield, Auxiliary for Sponsored Programs Administration complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,  
CONTINUED**

**Report on Internal Control over Compliance**

Management of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Grant Guidance. Accordingly, this report is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 24, 2021

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<b>Research and Development Cluster:</b>				
<u>U.S. Department of Agriculture</u>				
Direct Program:				
BRIXCAL: Building Research and Internship Experiences for Hispanics in California's Central Valley	10.223		\$ 7,863	-
Direct Program:				
Integrated Project	10.326		34,901	-
Pass-Through California Department of Food & Agriculture:				
Mist Cooling to Delay Bloom	10.170	17-0275-038-SC	11,621	-
Direct Program:				
Acquisition of GC-TCD for Analyzing Agriculture	10.519		60,281	-
			114,666	-
<u>U.S. Department of Interior, Bureau of Reclamation</u>				
Pass-Through The Metropolitan Water District of Southern California:				
Designing & Building Electroclida	15.530	179948	1,000	-
<u>U.S. Department of the Interior</u>				
Pass-Through Office of Historic Preservation - Department of Parks & Rec:				
SSJVIC - Historic Preservation				
	15.904	P19AF00226	1,000	-
Pass-Through Sequoia Parks Conservancy (SPC)/Sequoia Science Learning Center (SSLC):				
Summer Roost Selection & Torpor Expression of Bats	15.954	20-0028	3,683	-
			4,683	-
<u>National Science Foundation</u>				
Direct Programs:				
Collab Research: Correlating Opto	47.049		48,162	-
Collab Research: GP-EXTRA	47.050		28,799	-
CSUB NSF Crest Phase II	47.076		676,877	-
Catalyzing IDEA's for the San Joaquin Valley	47.076		158,911	-
Pass-Through CSU Sacramento:				
CSU-LSAMP (2018-2023)	47.076	HRD-1826490	5,492	-
			918,241	-
<u>U.S. Department of Education</u>				
Pass-Through Cal Poly Pomona Foundation, Inc.:				
DJJ-Project Rebound Mentorship	84.013	S013A190005	11,211	-
Direct Programs:				
GPS to Stem Degree Completion	84.031		1,149,947	-
Increasing Hispanic STEM Relationships	84.031		511,334	-
Pathway Adelante: A Model HIS	84.031		148,254	-
CSUB CCAMPIS Project	84.335		932	-
			1,821,678	-
Total Research and Development Cluster			\$ 2,860,268	\$ -
<b>WIOA Cluster:</b>				
<u>U.S. Department of Education</u>				
Pass-Through County of Kern, Employers Training Resource:				
ETR PPCSA	17.258	599-2019	\$ 9,000	\$ -
ETR-PPCSA-20	17.258	026-2021	39,150	-
Total WIOA Cluster			\$ 48,150	\$ -

See independent auditors' report and notes to schedule of expenditures of federal awards.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<b>TRIO Cluster:</b>				
<u>U.S. Department of Education</u>				
Direct Program:				
TRIO - Talent Search	84.044		\$ 455,069	\$ -
Total TRIO Cluster			\$ 455,069	\$ -
<u>U.S. Department of Agriculture</u>				
Direct Program:				
RELO: Research, Experiential and Learning Opportunities	10.223		\$ 45,134	\$ -
<u>U.S. Department of Justice/Office on Violence Against Women</u>				
Direct Program:				
Roadrunner Risk Reduction Program	16.525		70,658	-
<u>U.S. Department of Labor</u>				
Pass-Through County of Kern:				
Migrant Book Assistance Program	17.264	687-2019	247	-
Migrant Book Assistance Program	17.264	687-2020	22,555	-
			22,802	-
<u>National Endowment for the Humanities</u>				
Pass-Through California Humanities:				
Spanish Language & Linguistics	45.129	HFAQ18-112	455	-
Humanities Beyond Bars	45.129	HFAP20-73	13,073	-
			13,528	-
<u>Small Business Administration</u>				
Pass-Through The Regents of UC, Merced:				
Central CA SBDC Network 2020	59.037	SBAHQ20B0060	179,643	-
COVID-19: Central CA SBDC Center	59.037	SBAHQ20C0065	222,183	-
			401,826	-
<u>U.S. Department of Education</u>				
Direct Programs:				
HEP-High School Equivalency Program	84.141		34,600	-
HEP-High School Equivalency Program	84.141		315,382	-
College Assistance Migrant Program	84.149		60,860	-
College Assistance Migrant Program	84.149		289,283	-
Practices to Optimize Special Education	84.325		2,409	-
TQP GRO STEM	84.336		276,792	-
TQP III: Citizen Scientist Path	84.336		1,354,372	-
Pass-Through Tulare County Office of Education:				
Teacher Residency for Rural Education	84.336	200766	145,312	-
Pass-Through Regents of UC, Office of the President:				
CSMP-ESSA19	84.367	S367A190005	7,050	-
CSMP-ESSA20	84.367	S367A200005	20,168	-
			2,506,228	-
<u>U.S. Department of Health &amp; Human Services</u>				
Direct Program:				
HRSA ANEW Program Transforming	93.247		565,531	96,369
Pass-Through Regents of UC, Berkeley CalSWEC/Foster Care Title IV-E:				
CalSWEC 2018	93.658	18-3028	34,055	-
CalSWEC Title IV-E Program	93.658	20-3019	1,175,906	-
			1,775,492	96,369

See independent auditors' report and notes to schedule of expenditures of federal awards.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

<u>Federal/Pass-Through Grantor and Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass- Through Grantor No.</u>	<u>Expenditures</u>	<u>Subrecipients</u>
<u>Corporation for National and Community Service-AmeriCorps</u>				
Pass-Through Jumpstart:				
Jumpstart Training for ECE Students Interested in Teaching	94.006	3360200	\$ <u>49,959</u>	\$ <u>-</u>
Total Expenditures of Federal Awards			\$ <u><u>8,249,114</u></u>	\$ <u><u>96,369</u></u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Notes to Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Note 2 - Summary of Significant Accounting Policies**

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2 CFR section 200.414 indirect costs.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2021

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**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No

Type of auditors' report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	No
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Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.044	TRIO Cluster – TRIO – Talent Search
84.336	TQP GRO STEM
	TQP III: Citizen Scientist Path
	Teacher Residency for Rural Education

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Guidance, 2 CFR section 200.520?	Yes
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**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Prior Year Findings**

Year Ended June 30, 2021

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**Section IV - Schedule of Prior Year Findings**

None reported.